

## PlanRVA Day!

A day of learning, networking, and collaboration.



#### Virginia Housing

Created in 1972 by the Virginia General Assembly.

Mission: Help Virginians attain quality, affordable housing.

Address unmet rental needs of lowincome and critical needs populations

Address state housing needs by working with delivery network

**Strengthen first-time homeownership throughout Virginia** 









#### Achievements



Financed more than 2,800 rental units with total lending over \$483 million



Educated more than 15,600 Virginians annually through our free Homeownership Education classes



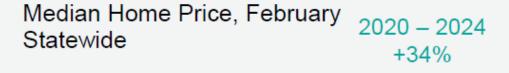
Issued nearly 3,800 loans worth \$900 million to support homeownership

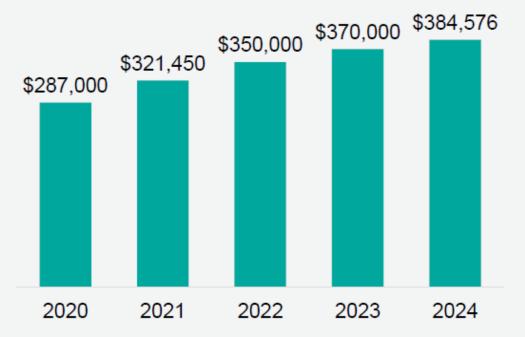
FY'22: Financed more than 5,707 rental units. Lending over \$829 million.

Nearly 7,695 loans worth \$1.8 billion to support homeownership.

#### Housing affordability is a growing challenge

Rapid price growth and elevated mortgage rates make buying a home more difficult





Source: Virginia REALTORS®

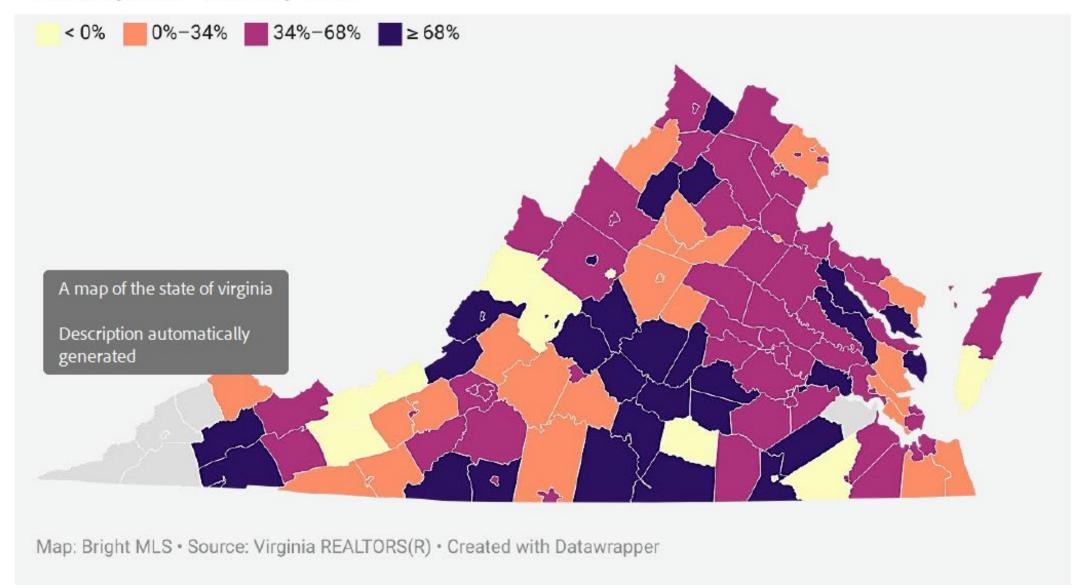
Income Needed for median home in Virginia\* Increased by 77% between 2020 and 2024

	Home Price	Mortgage Rate	Monthly Payment	Income Needed
2020	\$287,000	3.47%	\$1,658	\$66,300
2021	\$321,450	2.81%	\$1,730	\$69,200
2022	\$350,000	3.76%	\$2,050	\$82,000
2023	\$370,000	6.26%	\$2,705	\$108,200
2024	\$384,576	6.78%	\$2,933	\$117,300

<sup>\*</sup>Assumes a 30-year fixed rate mortgage, 3.5% downpayment, 0.5% PMI, 0.75% property tax rate and \$124 monthly homeowners' insurance. Assumes borrower spends no more than 30% of income on the monthly payment.

#### **Change in Median Home Price**

February 2020 - February 2024



### INNOVATION

## Regional Housing Collaborations

#### **Housing Summits**

- Localities' opportunity to showcase opportunities
- Attract developer attention to underserved communities
- Connect with Funders
- SWVA Regional Summit
- Southern VA and subsequent events in Danville
- George Washington
- Southside (Mecklenburg, Brunswick, Halifax) – planned







#### Regional Housing Collaborations

#### **Market Analysis**

- Planning District Commission the driver
- Quantify demand, illustrate gaps
- Trend analysis
- Identify challenges and proposes solutions
- Support business recruitment

#### The West Piedmont Planning District Commission Released Comprehensive Housing Study

April 11, 2024

The West Piedmont Planning District Commission (WPPDC) is pleased to announce the release of a comprehensive housing study conducted in collaboration with the Virginia Center for Housing Research at Virginia Tech (VCHR) and HousingForward Virginia (HFV). This study aims to address housing challenges and develop sustainable housing solutions for the region.

"We are excited to present the findings of this comprehensive housing study, which will serve as a valuable resource for addressing the housing needs of the West Piedmont Planning District," stated Sean Campbell, Housing Director for the WPPDC. "The collaborative efforts with the West Piedmont Planning

District Commission, Virginia Tech, and HousingForward Virginia have allowed us to develop tailored strategies that will positively impact our region's housing landscape."

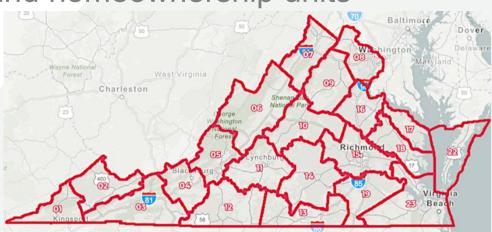


#### **PDC Grant**

- \$40 million awarded to the 21 PDCs (FY22)
- Supports PDCs to
  - Promote regional approaches to meeting housing needs
  - Enhance collaboration between regional and local members of the housing network, including private developers
  - Develop new affordable rental, mixed use, and homeownership units

(minimum 10 units per \$1 million awarded)

• Over 2,300 units in pipeline



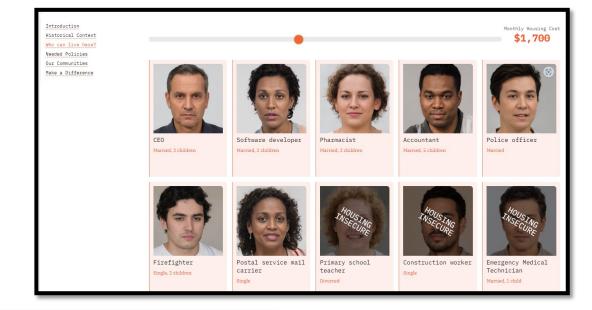
#### **PDC Grant Trends**

- Grant awards effective July 2021
- RFPs usually issued, but many exceptions
- Typical partners and uses of funds:
  - Nonprofit developers and RHAs (gap or predevelopment funds)
  - Habitat for Humanity chapters (materials and contractor costs)
  - Private builders and developers (materials, contractor costs, wages)
  - Self-development (contractor costs)
- Rental: 1,738; homeownership 326; mixed use rental 216

Habitat house, Richmond



# Awareness Building and Education





HOME STORIES SHARED RESOL

RESOURCES V GET INVOLVED NEWS

DONATE NOW



Bob Phillips, LCPS

Bob Phillips is the Director of Recruiting for Loudoun County Public Schools. As the largest employer in Loudoun, LCPS hires an average of 800 new teachers per year. Bob says, "The lack of Workforce Housing available in Loudoun County is a primary reason why out-of-area candidates decline an LCPS offer..."



Ashley Matusek, Registered Nurse

Young professional, Ashley, explains why the affordable housing crisis in Loudoun County was the main reason why she decided to leave the area.



Tracy Baynard, Loudoun Resident

Tracy's shares her personal story and explains the importance of home. She believes that being able to live where you work and having access to affordable housing is an important part of community.

## South Patrick Street Housing Affordability Strategy

#### **Emphasis on Community Engagement**

- Property Owner Letters (focus area x2)
- Door-to-Door Flyers (Southwest Quadrant x1 & focus area multiple times; multiple languages)
- eNews, Emails, Calls, Project Website
- Banners and Videos (multiple languages)
- 9 Community Pop-Ups & Round Tables
- 4 Office Hours with Apartment Residents
- Community Walking Tour
- 8 Community Meetings (2 pre-charrette; 3 during charrette)
  - live streaming, transportation, childcare, and translation services provided











#### project:HOMES: Manufactured Housing

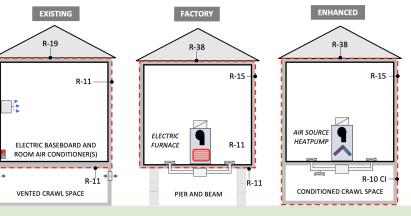
Improve quality / performance of MH housing

Hardie plank siding, conditioned crawlspace, durable skirting, increased insulation, wider eaves for water control and appearance, front entrance, porches









#### NextGen Manufactured Housing

Permanent foundation, pitched roof, drywall throughout, garage / carport, porch

Manufactured housing not allowed in the City due to current zoning restrictions

Work with City staff to engage Planning Commission

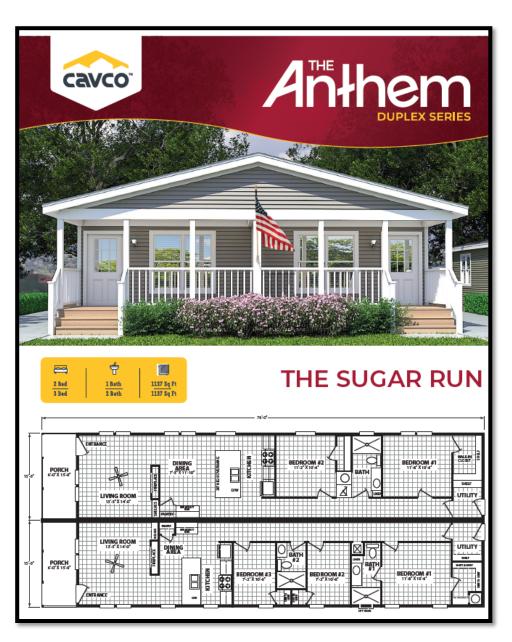
Neo-Traditional Residential District

Five neighborhood infill homes

Stick-built comps













#### Housing and Economic Development are Intricately Connected

Inadequate housing supply hampers workforce mobility, limits job opportunities, and negatively impacts a state's economic competitiveness.

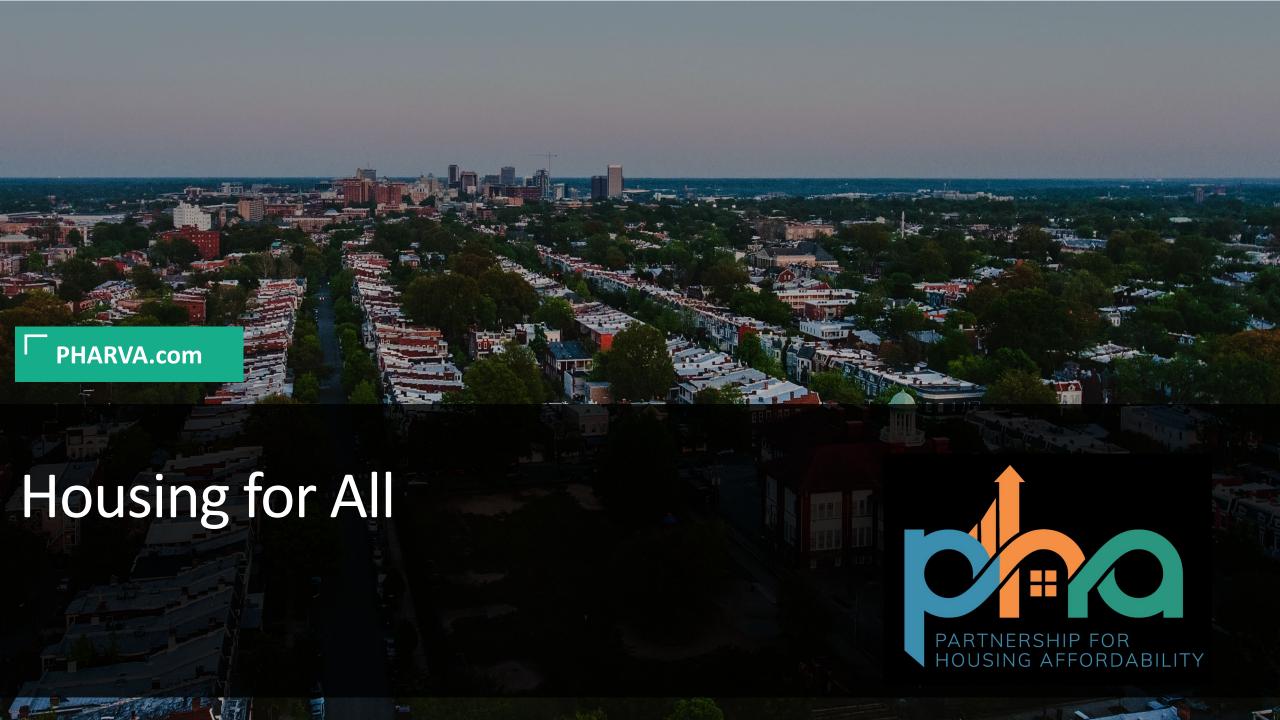
- Virginia is projected to add more than 140,000 new jobs by 2033 (conservative baseline)
- Housing affordability is needed to attract and retain the needed workforce to fill these jobs
- Cost of living is heavily driven by housing and rental prices
- Currently, Virginia ranks #12 among states with the highest median home price value



## PlanRVA Day!

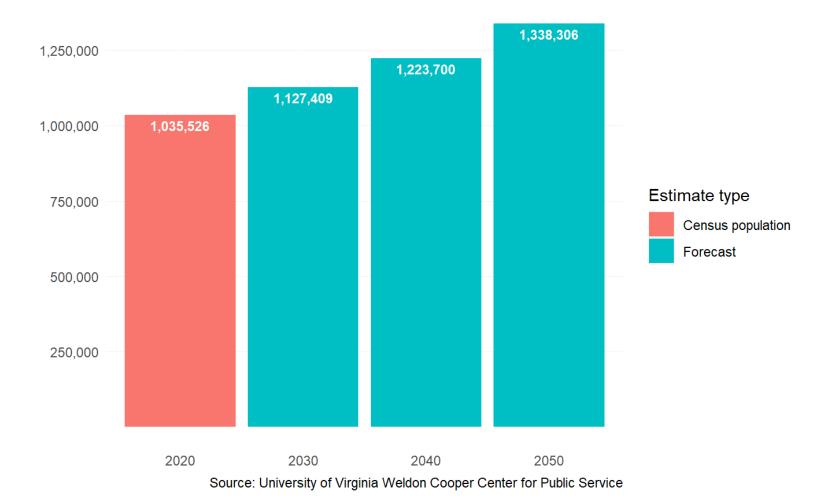
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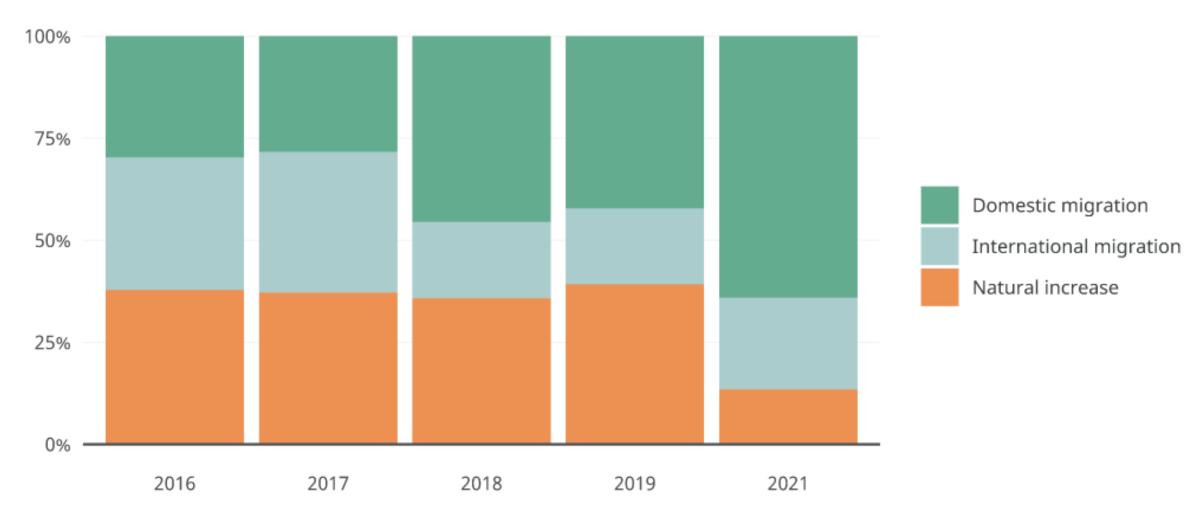
#### Richmond is reaching new heights

Population projections
Regional population in 2020 and forecast to 2050



#### **Components of population change**

Share of regional population growth by source

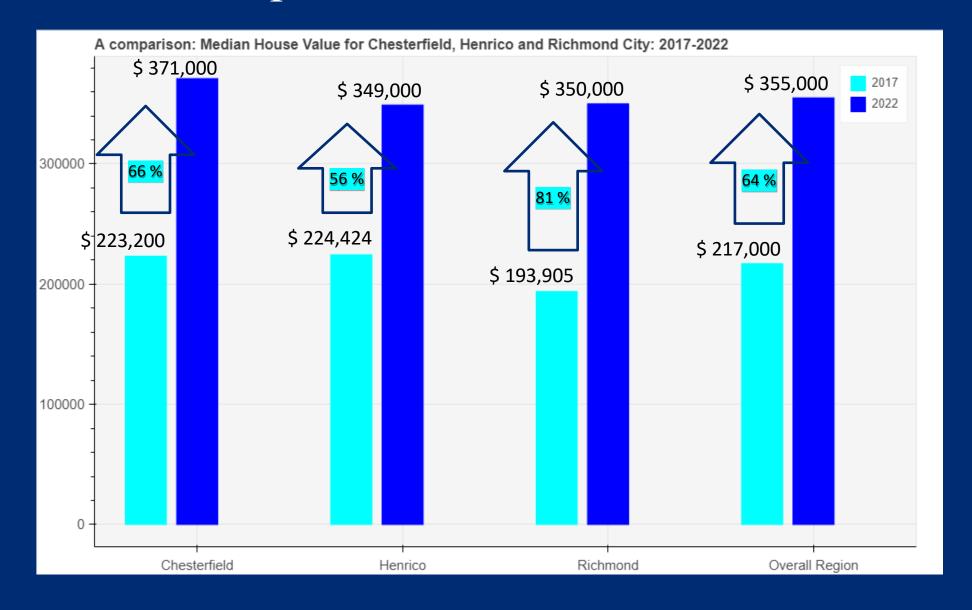


**Note:** Data not available for 2020.

Source: U.S. Census Bureau, Population Estimates Program.

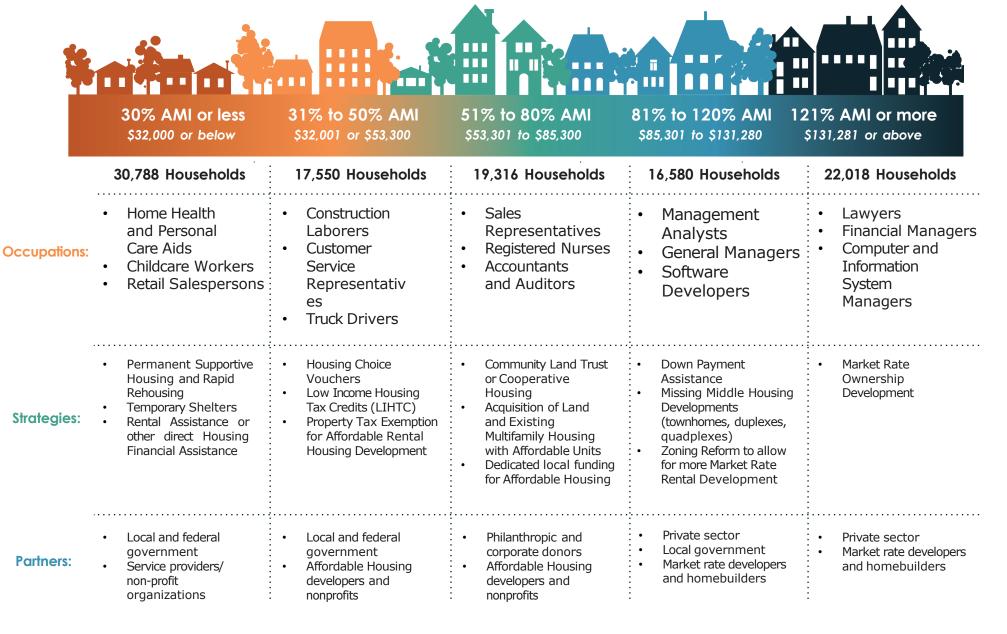
#### Housing Price Comparison: 2017 vs 2022

Median House Price in 2017 and 2022 corrected for inflation at 2023 dollar value.





#### **RVA Housing Continuum**



Median Annual Income by Occupations - Richmond, VA: 2017 150,000 -150% AMI: \$146382 1.3118e+05 120% AMI: \$117105 100.000 -Dollars 100% AMI: \$97588 80% AMI: \$78070 50,000 50% AMI: \$48794 46537 37560 32910 28346 Transportation and Material moving Personal care and service Construction and extraction Community and social service Cleaning and Maintenance Farning Reting and Forestry Administrative Support Educational Instruction and Library Business and Financial Operations Healthcate Practitioners Life Physical and Social Science Healthcare support Sales and related Protective service installation and Repair Arts. Design. and Media Architecture and Engineering

Occupations

Median Annual Income by Occupations - Richmond, VA: 2022 140,000 1.3779e+05 120% AMI: \$131280 Housing Affordability: Median House Value divided by 3 for Chesterfield: \$123,667 120,000 Housing Affordability: Median House Value divided by 3 for Henrico and Richmond City: \$118,333 100% AMI: \$109400 100,000 93773 80% AMI: \$87520 Dollars 80,000 61712 60,000 50% AMI: \$54700 42657 41494 40,000 35091 20,000 Transportation and Material moving Life Physical and Social Science Farning Rething and Forestry Administrative Support Construction and extraction Community and social service Educational Instruction and Library Business and Financial Operations Food Preparation workers Cleaning and Maintenance Personal care and service Architecture and Engineering Healthcare Practitioners Maragenent Healthcare support Arts. Design, and Media Sales and related Production Legal

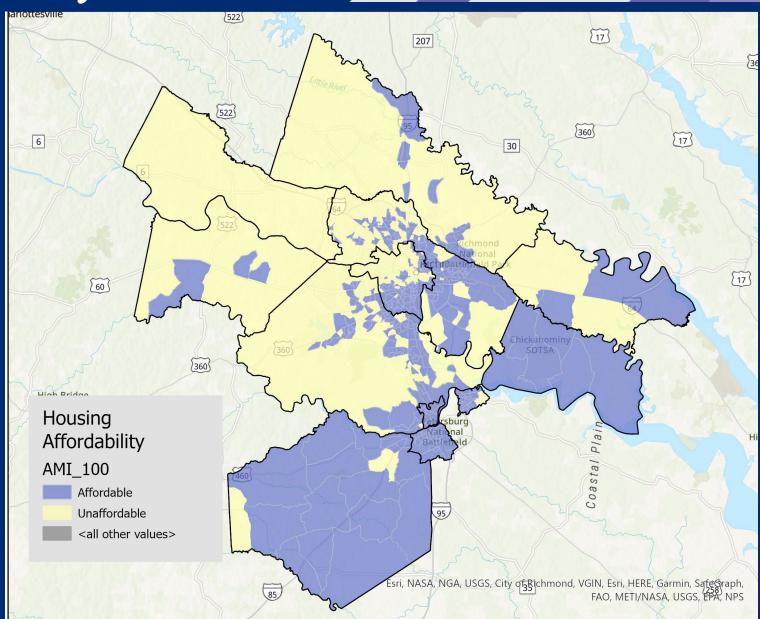


Housing Affordability

Affordable for 100% AMI

\$97,588

- Architects
- Electrical Engineers
- Dentists
- Veterinarians
- Optometrists

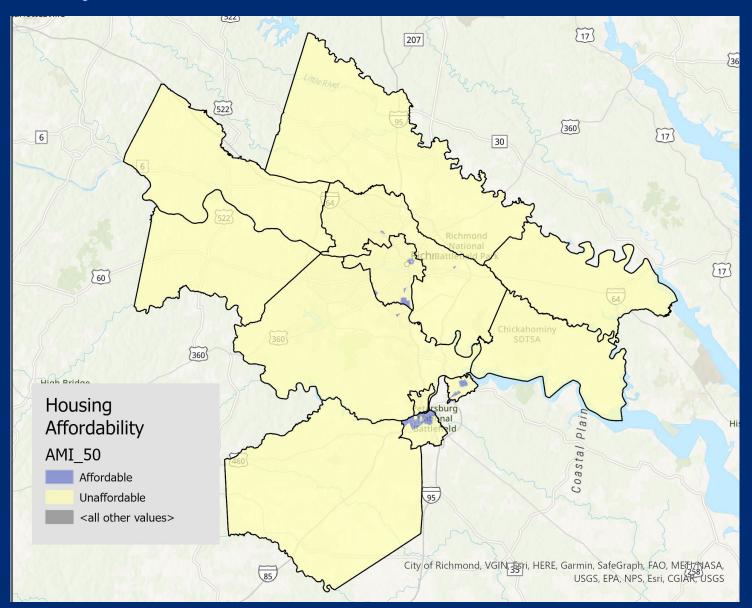


#### Housing Affordability

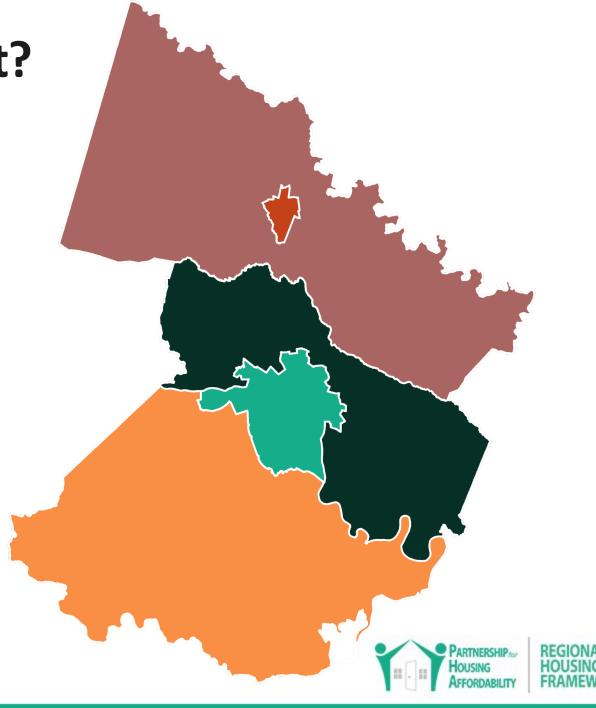
#### Affordable for 50 % AMI

\$48,794

- Mental Health Counselors
- Probation Officers
- Animal Control
- Carpenters & Stonemasons
- Retail Sales Workers
- Dental Laboratory Technicians
- Tellers
- Clerks
- Bookkeeping Assistants
- Cafeteria Cooks
- Bartenders
- Hostesses
- Nursing Assistants

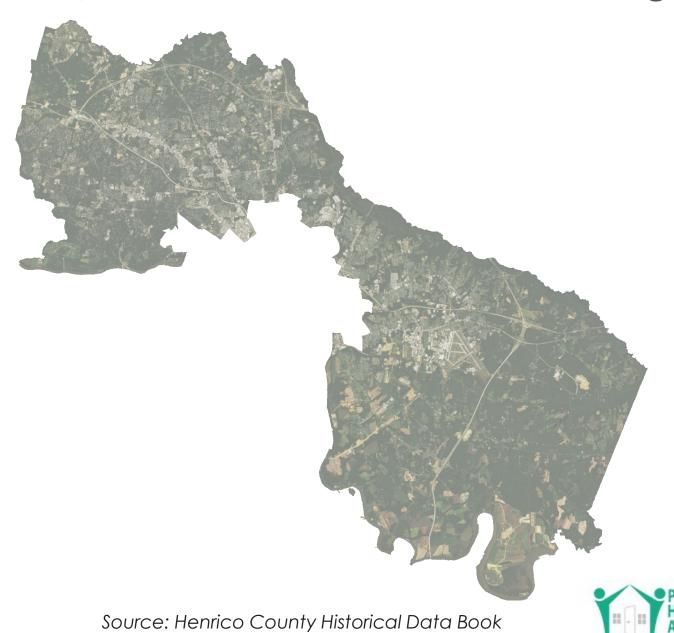


Why is Zoning important?



Between 1983 and 2011, how much land was used for new single-family

homes in Henrico?



# Demstyifying Narratives









#### Minimum Design & Construction Standards

- Required free wi-fi in community rooms
- Restricted points for brick construction
- Increased points for using fiber cement board
- Increased points for renewable energy electric systems
- Minimum width of sidewalks is to be 3 feet
- Roof sheathing thickness is to be a minimum of 15/32-inch-thick plywood or 15/32 inch OSB
- All exterior doors, except sliding glass doors, must be either insulated fiberglass or insulated metal
- Provide a minimum of one full-height closet of at least 6 square feet for general storage in a location other than a bedroom
- The bottoms of bathtubs are to have slip resistant/textured finish
- Vanities may not be installed within 12" of tub or showers
- Provide fluorescent light fixtures or LED light fixtures in all public common areas
- Provide premanufactured air filters
- Provide HVAC diffusers for kitchens and all full baths



Source: Virginia Housing

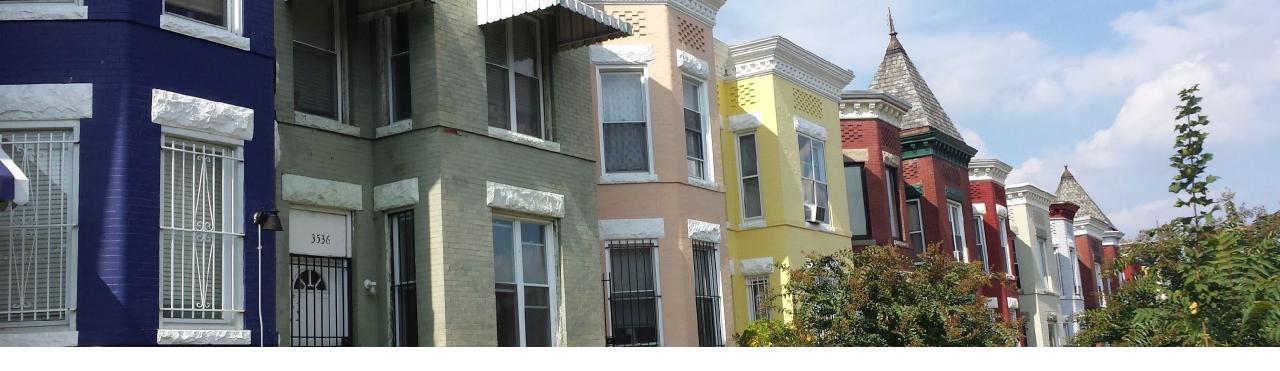




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June 13, 2024

## Land-Use Reforms and Housing Affordability



# Housing affordability is important for local economies

- Decreases in housing affordability have a negative effect on economic growth (<u>Anthony 2022</u>)
  - High housing costs are linked to recruitment and retention difficulties for publicsector employers and certain types of private-sector employers (Morrison and Monk 2006)
  - Higher-cost housing can trigger productive workers to leave markets and may limit the ability of workers to enter the labor market (Miller and Kiernan 2021)

# But how do we increase affordability? Examples from Northern Virginia

## Alexandria's Accessory Dwelling Unit (ADU) Regulation



- In 2021, Alexandria adopted an ADU policy that:
  - Allows one ADU per property citywide, internal or detached
  - Limits occupancy to three persons or fewer
  - Sets size, setback, and height requirements
  - Does not require off-street parking spaces

## Council Later Amended the Regulation to:

- Require homeowners to maintain primary residence of the subject property at the time of ADU construction
- Prohibit the exclusive use of an ADU as a short-term rental
- Require a fee for ADU permits
- Require larger setbacks for taller, detached ADUs



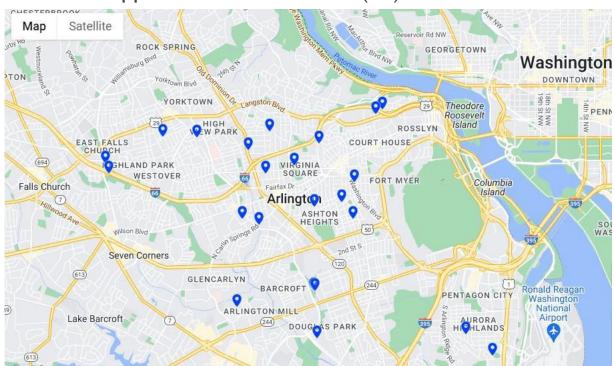
There have been 62 ADUs approved since it went into effect in 2021

# Arlington's "Missing Middle" Upzoning

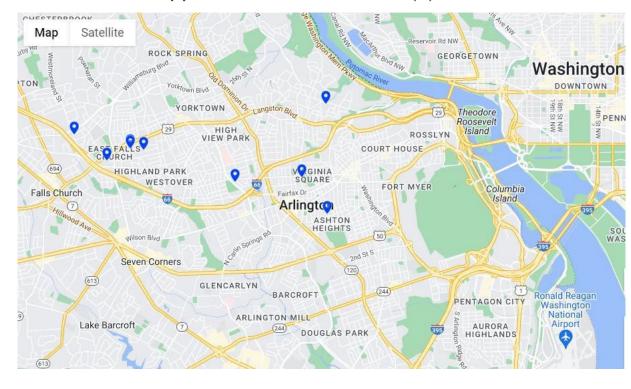
- In March of 2023, Arlington County Board approved a "Missing Middle" zoning reform, allowing smaller multifamily structures also known as Missing Middle in what were neighborhoods of only single-family detached homes.
  - Offers an alternative on single-family residential lots that allows for the construction of duplexes, townhouses, and multifamily buildings that meet the design standards in Arlington County Zoning Ordinance (ACZO) §10.4 Expanded Housing Option Development.

# There were 25 approved permits for these missing middle units in 2023 and 9 so far in 2024

Approved Permits 2023 (25)



Approved Permits 2024 (9)



# **Alexandria's Upzoning**

- In November 2023, Alexandria passed "Zoning for Housing" which is a comprehensive package of zoning reforms'
  - Housing for All is the equity component of Zoning for Housing and explores the extent of past discriminatory housing policies and their continued impact, especially on people of color and/or low-income



# What it changed

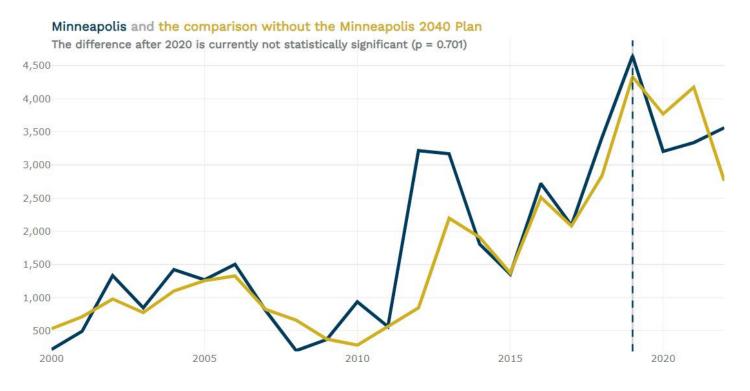
- All of the previous single family and single- and two-family zones now allow up to four-unit buildings
  - Have to follow the same rules that regulate size, height, and setbacks that apply to single-family dwellings
- Changed rules in the zones that allow townhouses to make it easier to build townhouses.
- We eliminated the off-street parking requirement for all houses with four or fewer dwelling units in the City's "enhanced transit area"
- Lowered the parking requirement for houses outside of the enhanced transit area from 1 space per dwelling unit to 0.5 spaces per dwelling unit
- Eliminated the maximum density limit for multi-unit (apartment, condo, and/or mixed use) buildings
- Changed open space requirements to be fairer and more flexible across all the City's zones

Too soon to know what take-up will be (there have been no formal submissions for duplexes but there have been inquiries)

· URBAN · INSTITUTE · 4

# Many places have seen low uptake of development after upzonings

- Example: Minneapolis
  - Early research on Minneapolis' 2019 allowance for triplexes in previously single-familyonly districts shows no conclusive difference in total units and multi-family units permitted after the policy was implemented (Selvamani 2023).



Source: Federal Reserve Bank of Minneapolis

URBAN - INSTITUTE - 45

# Potential reasons for low take-up include:

- Reforms may lack the necessary additional complementary zoning code changes needed to make multifamily development feasible (e.g., increases in allowed building heights) (Parolek 2020)
- Lawsuits in all three cities from residents fighting against the reforms could be adding too much risk for builders
- High mortgage rates and market uncertainty could be hindering development overall
- Developers may be unable to make a profit when tearing down a single-family home to replace it with a small multifamily building

· URBAN·INSTITUTE·

## Other reforms have seen some success

Removing parking minimums

Fast tracking permitting for affordable housing

Simplifying the development process

"I'm going to say that 40 years ago, when I first started being a building contractor, I could walk into the county building with a plan that was basically three pages. I would walk out with a permit, and it would cost me about \$200, in an hour, one hour. Now, it would take you, probably, at least four to six months to get a permit, which would cost you \$30,000." —Contractor

· URBAN·INSTITUTE·

# Even with high take up, there may be concerns about the impact of upzonings on housing affordability



Builders might convert existing lower-cost units into higher-cost ones which might then also cause amenity effects to increase surrounding housing values (Freemark 2020, Kuhlmann 2021, Zhou et al. 2008)



Upzonings might increase all land values by changing what can be developed on a parcel while influencing what amenities investors anticipate in the surrounding neighborhood (Greenaway-McGrevy et al. 2021, Kuhlmann 2021)



Upzoning might induce new demand (ie, demand for housing might go up at a similar or even higher rate than the increase in supply)

URBAN INSTITUTE 4

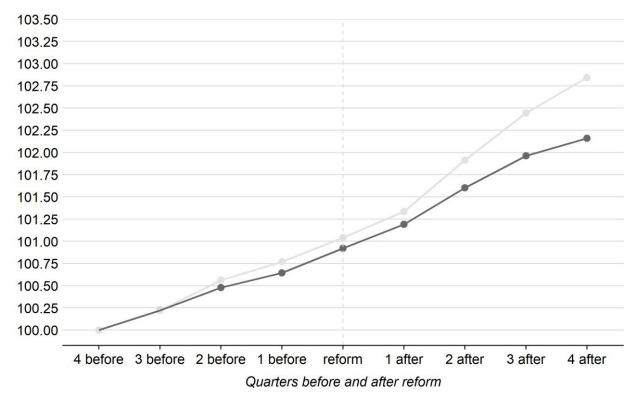
## So what does this all mean?

Reforms loosening restrictions can increase housing supply, but this increase is likely inadequate to increase the availability of housing affordable to low- and middle-income households in the short-term (and may even cause some increases in prices, at least in the short term)

#### Average number of addresses before and after reforms, normalized

Less restrictive reforms
 More restrictive reforms

#### Normalized Number of Addresses



Source: Stacy et al. 2022

### **Recommendation:**

Leaders should consider pairing direct investments in affordable housing, such as immediate investments in public and assisted housing and LIHTC developments, with reforms loosening land use restrictions to address both short-term and long-term housing affordability.

The Bloom in Alexandria



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Thank you!

Christina Stacy cstacy@urban.org

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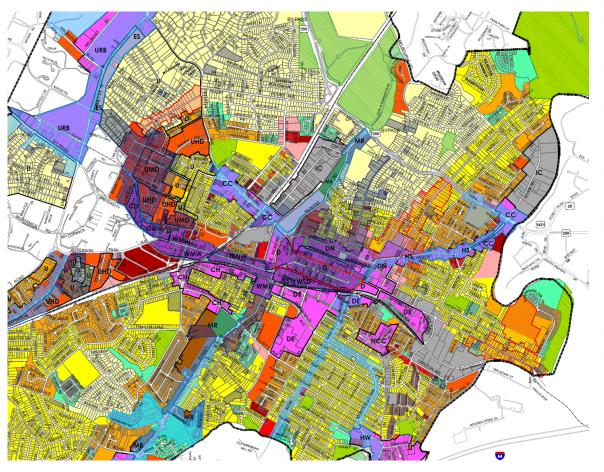
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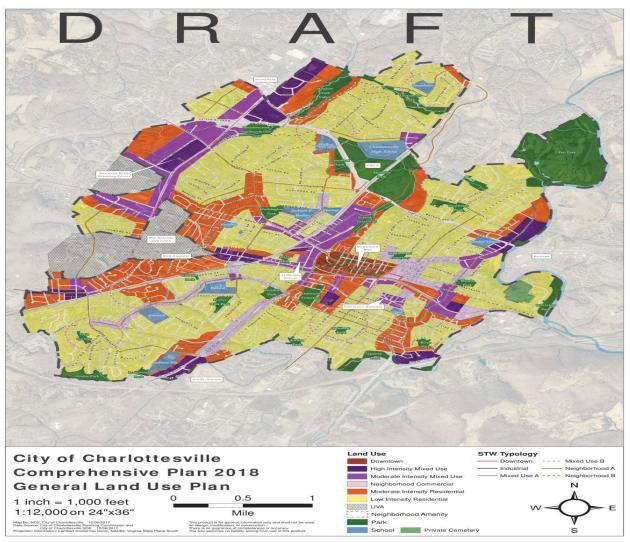


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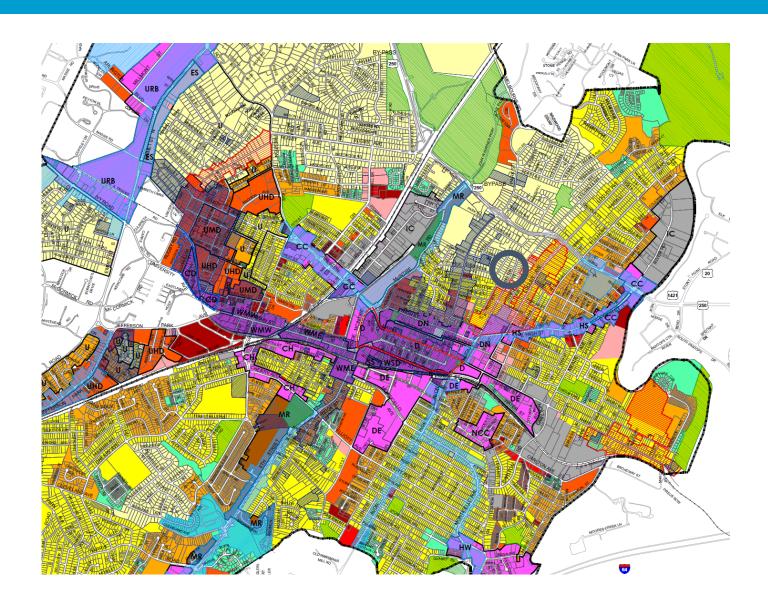








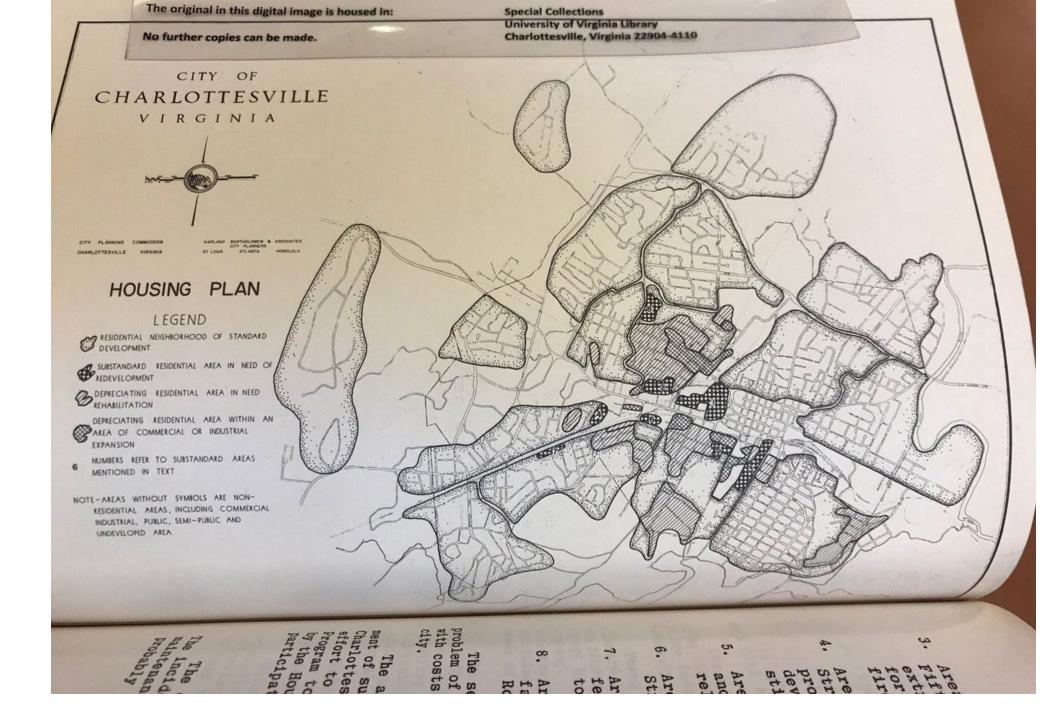
# **WHADITAT FOR Humanity®**



clusively for residential purposes.

- 2. No property in this subdivision shall be sold to any person not of the Caucasian race.
- 3. No building costing less than \$5,000.00 except the usual and necessary out buildings used in connection with the residence shall be erected on said property.
- 4. All buildings, exclusive of the porches, erected on the property shall not be less than twenty-five feet from the front line of the property.

Subject to the above restrictions Emily H. Michie T.J. Michie and E. E. Stratton covenant with Hattie B. Gooch that they have the right to convey said land to the grantee; that the grantee shall have quiet possession of said land, free from all encumbrances; that they have done no act to encumber said land; and that they will give such further assurances of said land as may be requisite.





# **WHADITAT FOR Humanity®**



# **WHY Habitat for Humanity®**



# **Whabitat for Humanity®**



# **Whabitat for Humanity®**





# CVILLE PLANS TOGETHER







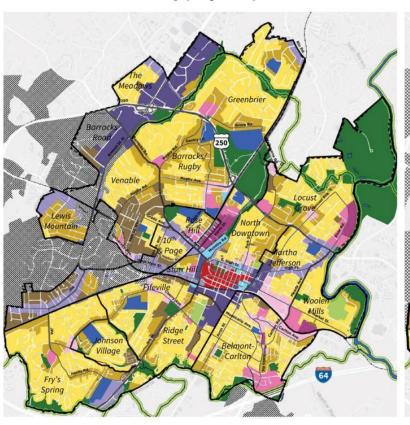
Housing Strategy



Zoning Update

Updating the future vision for Charlottesville, with a focus on equity and affordability.



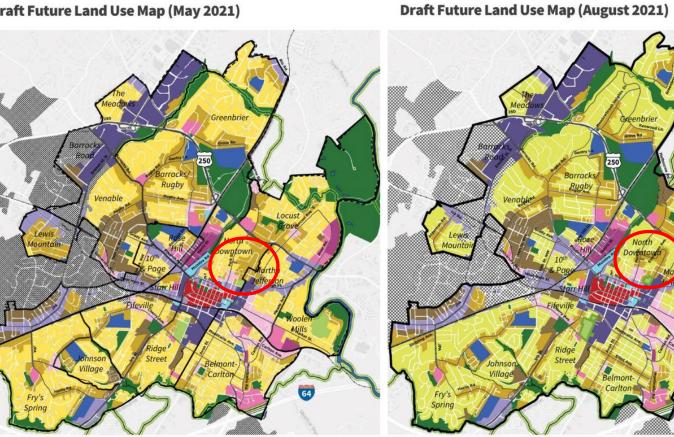


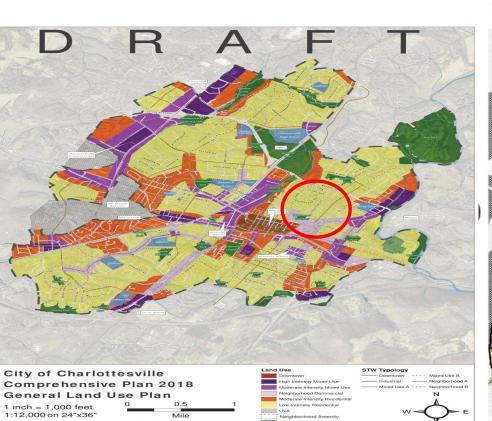
**Draft Future Land Use Map (August 2021)** 

City of Charlottesville Comprehensive Plan 2018 General Land Use Plan

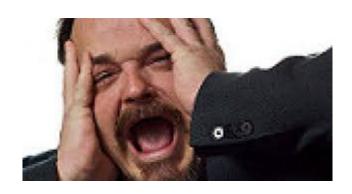
1 inch = 1,000 feet 1:12,000 on 24"x36"



















































Throttle down by right, base use and intensity.

Add extra protection to historically gentrified areas.

#### use map

et with the existing single-family character.

houses, townhouses, and smaller multi-lawer intensity neighborhoods

enit housing

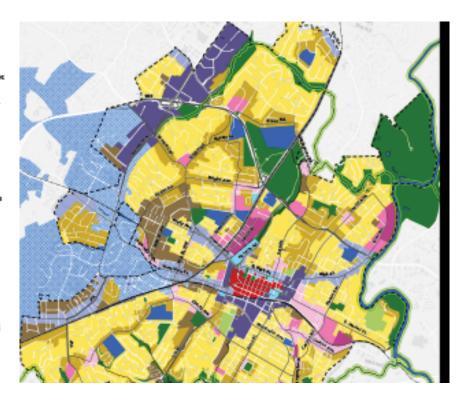
ompass a mix of land uses arranged in samounding residential areas.

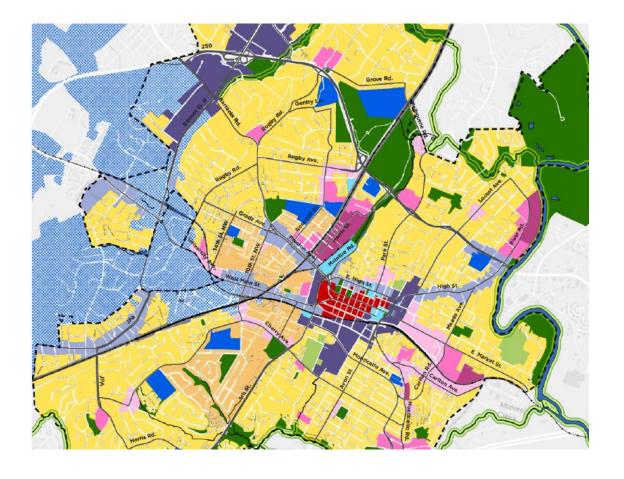
sing employment, and commental goals

comidors that support existing

arranged along corridors that link the s of the city.

ht industrial and production uses as well. ential uses, where feasible.





### ...But Add Overlay

## Extra zoning allowances if and only if there is affordable housing

#### use map

descriptions provided on the next page.

et with the existing single-family character.

houses, townhouses, and smaller multi-lawer intensity neighborhoods

ent housing

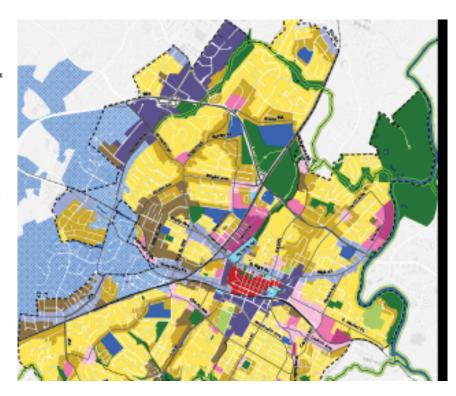
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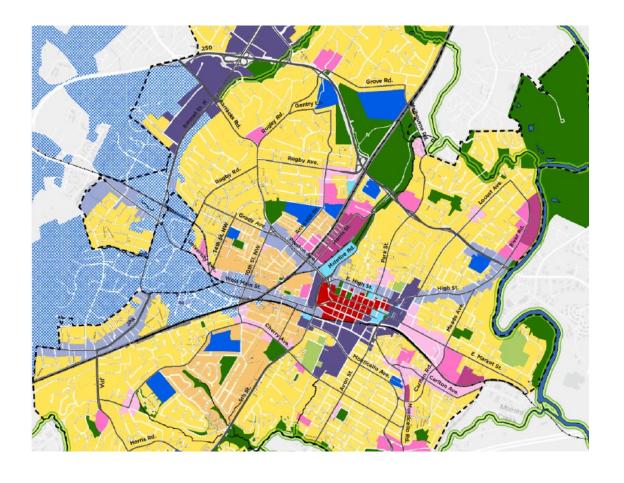
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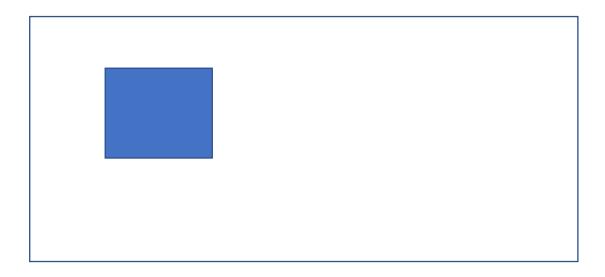
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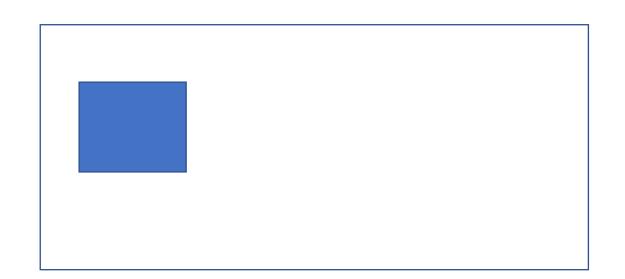
# **Previous R1S Zoning**

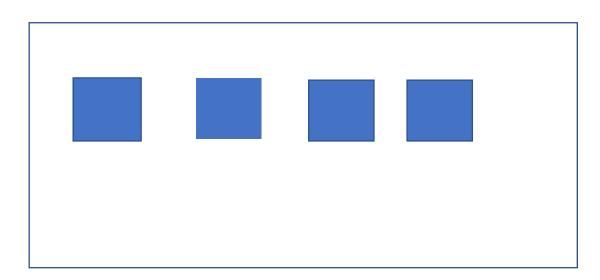


One lot/One home plus by up to one ADU by provisional use permit

No affordability requirements

# Low Density Residential Proposal

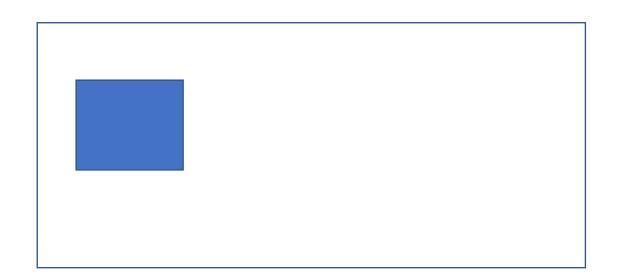


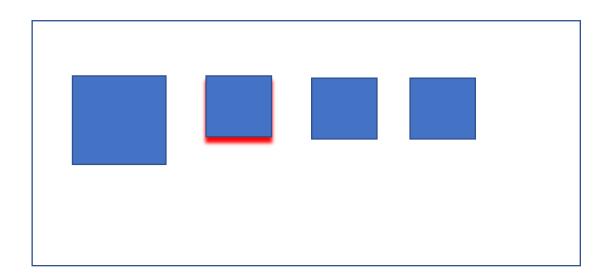


By Right

Four units by right

## What we advocated for

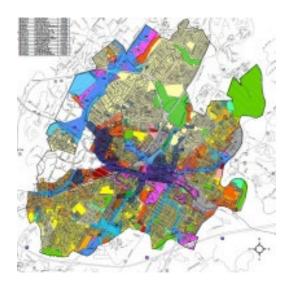




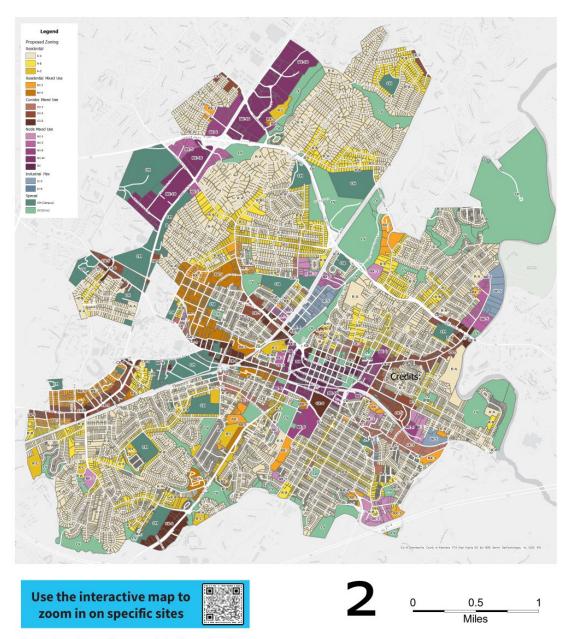
By Right If first extra unit is affordable

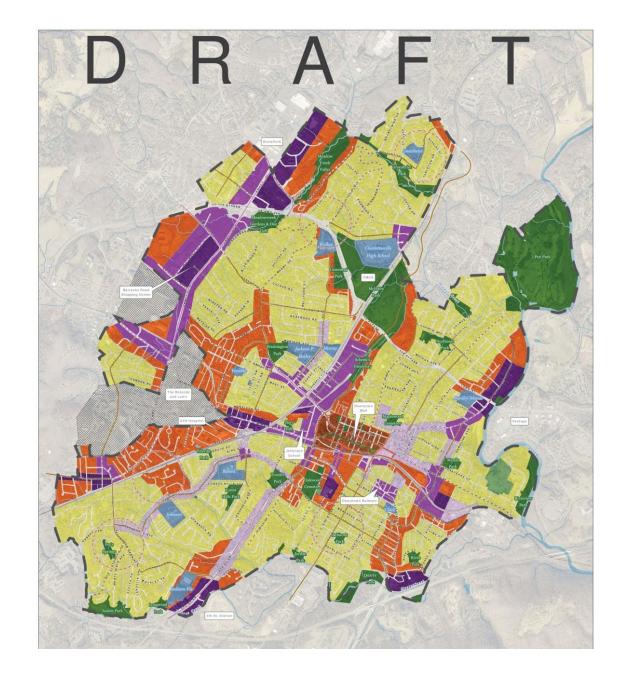


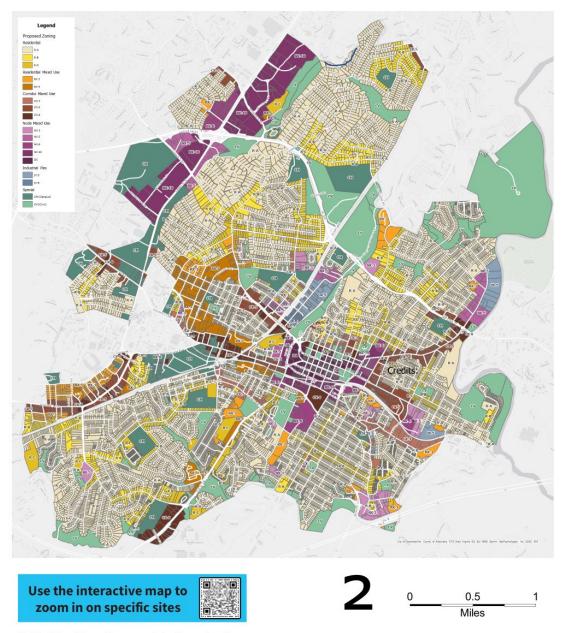
- In November 2021, the Charlottesville City Council adopted a Future Land Use Map that...
  - Is based on the affordable housing plan
  - Incorporates a City wide upzoning
  - Prioritizes extra protection for historically low income and African American neighborhoods
  - Notes that, in the City-wide zoning rewrite, inclusion of affordable housing will allow a by right increase in density as well as other zoning allowances.

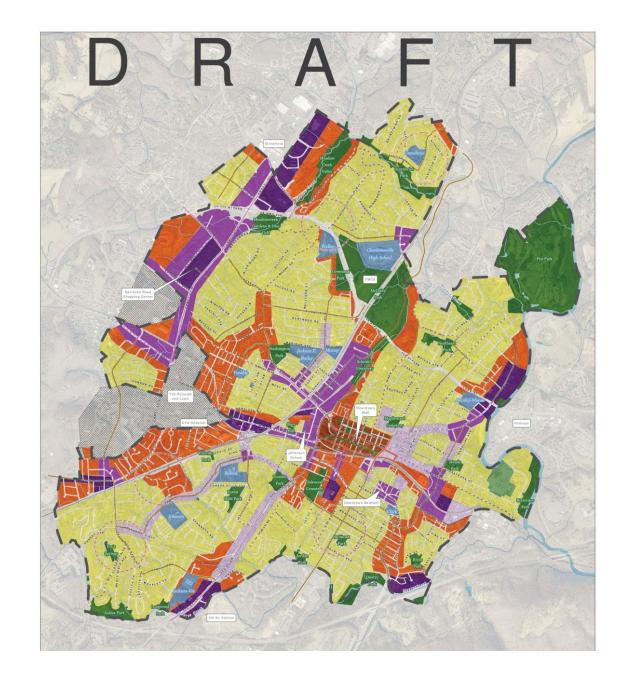


- In December 2023, the Charlottesville City Council passed a city wide zoning ordinance that...
  - Is based on the future land use map, comp plan and affordable housing plan
  - All but eliminates R-1
  - Adds extra protection (RNA) for historically low income and African American neighborhoods
  - Is the first in VA with mandatory affordable housing requirements citywide.
  - Is the first in VA to allow MF in all districts while eliminating minimum parking requirements
  - Provides bonus density for affordable housing on all parcels in the City

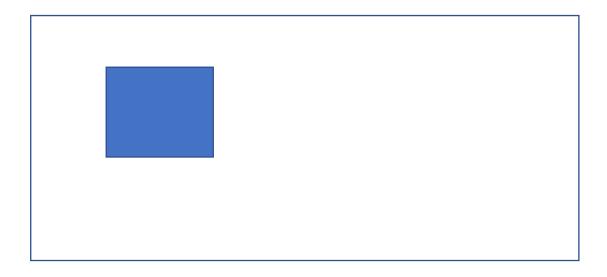






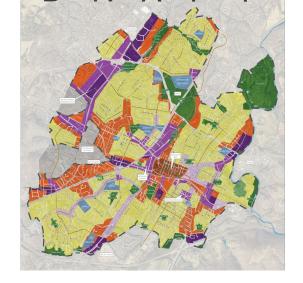


# Previous R1S (Yellow) Zoning

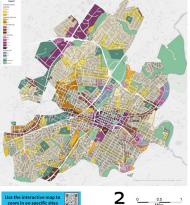


One lot/One home plus by up to one ADU by provisional use permit

No affordability requirements

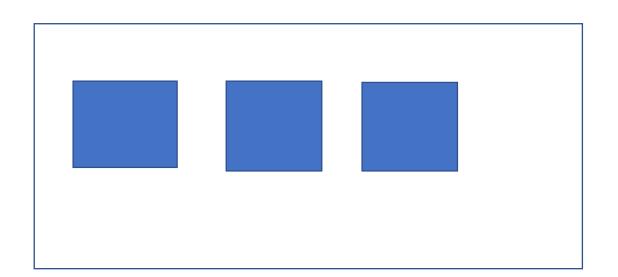


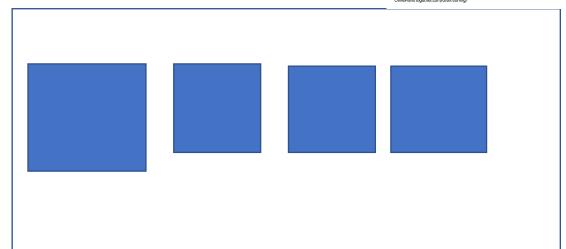
# New RA (low intensity residential zones)









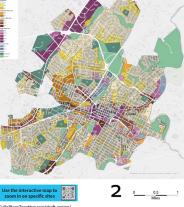


By Right

If original unit is maintained

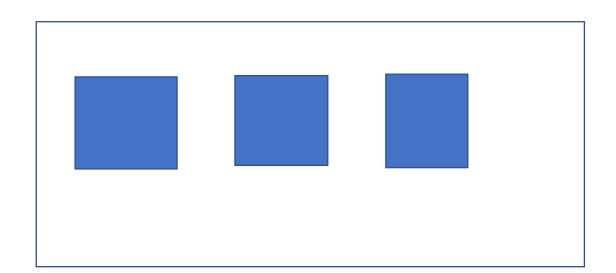


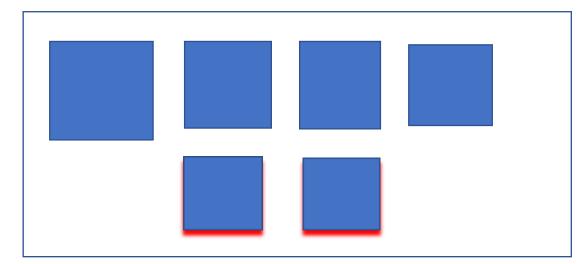
# "RA" Affordable Housing Bonus





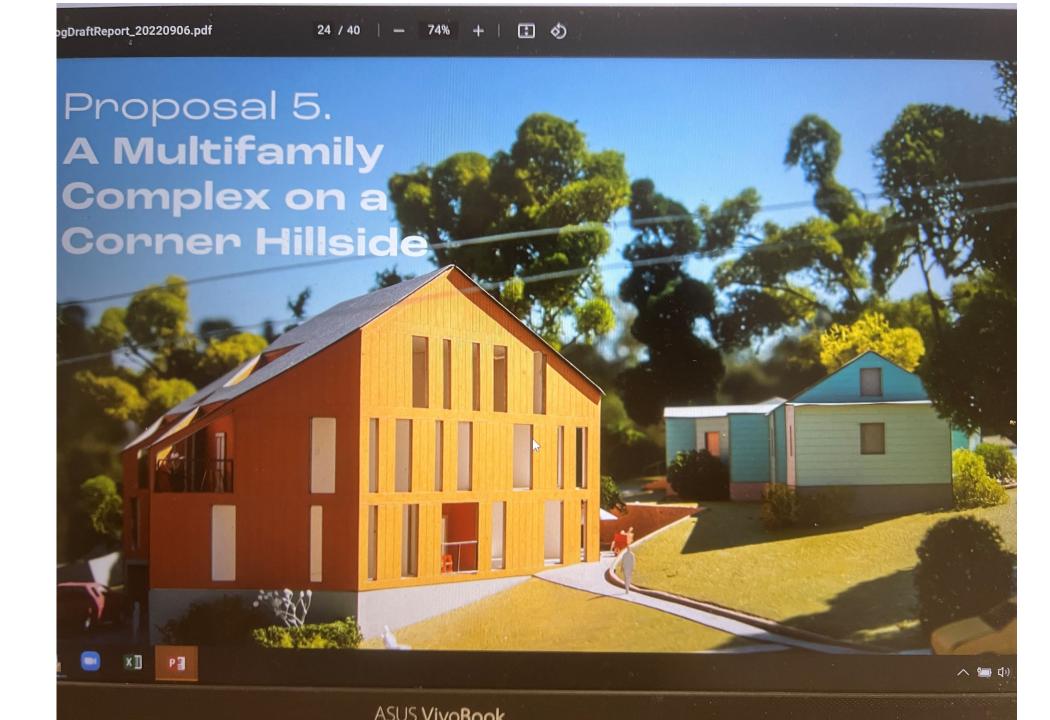






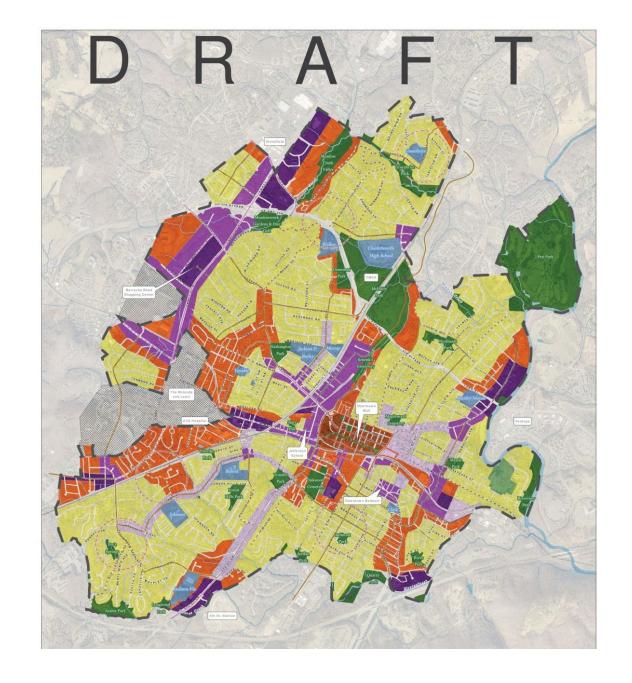
By Right

If original unit is maintained and one unit is affordable (two extra affordable units)

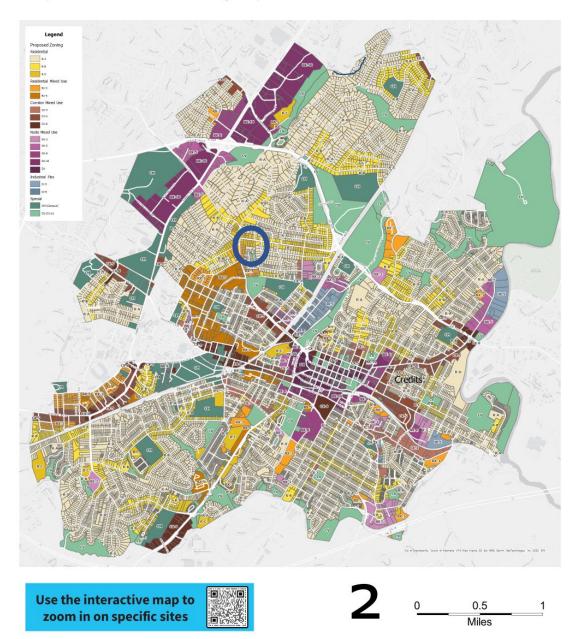


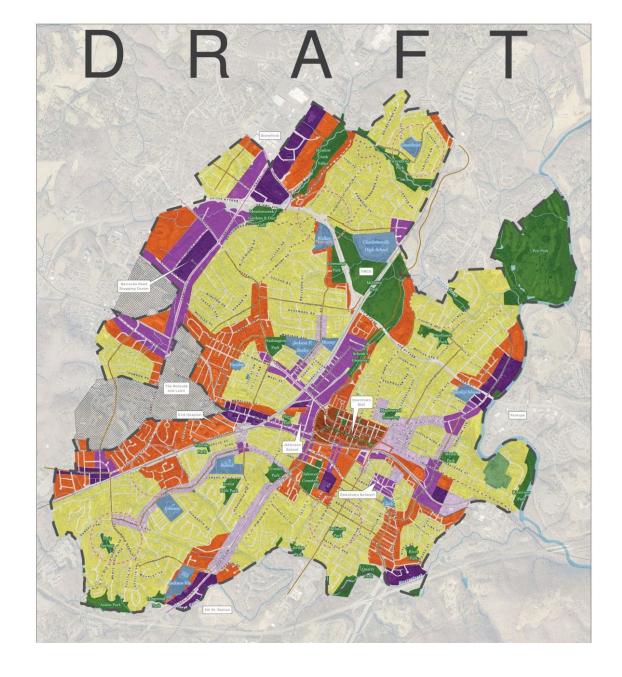
Use the interactive map to zoom in on specific sites

2 0 0.5 1 Miles

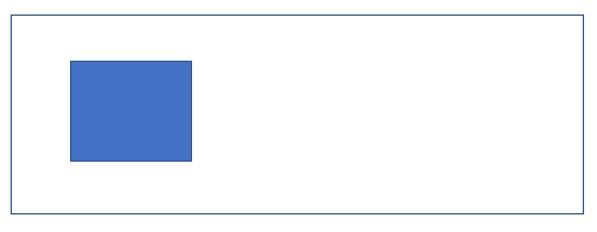




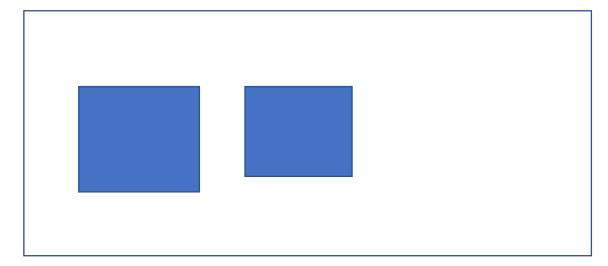




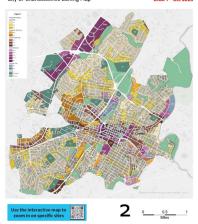
# "RNA" – Historically low income communities



By right

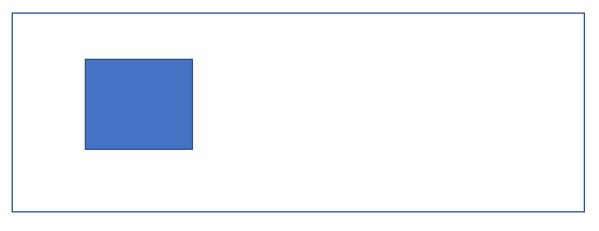


If original unit is maintained

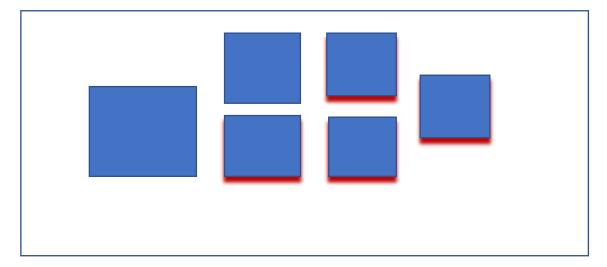




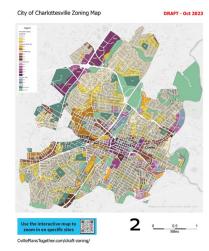
# "RNA" – Historically low income communities



By right



If original unit is maintained and extra units are affordable

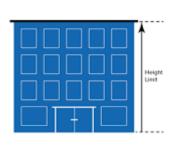


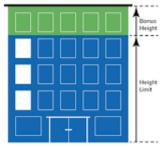


## Other Components of Ordinance

- RA, RB, RC (Missing Middle)
  - RB Base 6; Max Bonus 12
  - RC Base 8; Max Bonus 12; Height bonus from 40' to 52'
- Gradations in zoning districts from max height of 35' and four units up to 13 stories (184') in downtown and nodes
- Affordable housing density bonuses across the City
- Easier to build by right: Eliminates SUP process
- Small scale street front businesses not allowed; No height bonus for affordable housing in RNA/RA/RB



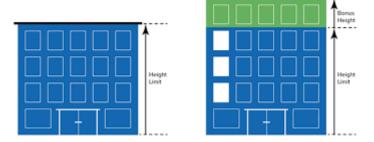






- First in VA with mandatory inclusionary zoning
- First to provide bonus density for affordable housing on all parcels
- First in VA to allow MF in all districts and eliminate parking requirements

### **Firsts**





# **Next Steps**



- Affordable Dwelling Unit Manual
- Synthetic TIFs
- Outreach into RNA communities and small area planning
- Tweaks at year 1

